

ECONOMIC DEVELOPMENT AND INFRASTRUCTURE COMMITTEE
Inquiry into greenfields mineral exploration and project development in Victoria

Melbourne — 30 January 2012

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Ms K. White, Executive Director, Biodiversity and Ecosystem Services, and
Mr L. Miezis, Executive Director, Forests and Parks, Department of Sustainability and Environment.

The CHAIR — Welcome. This is an all-party parliamentary committee and it is hearing evidence today on the Inquiry into greenfields mineral exploration and project development in Victoria. All evidence taken at this hearing is protected by parliamentary privilege; however, any comments you make outside this hearing may not have the same sort of protection. Be aware of that. Could I ask you both to state your name, business address and whether you are appearing on behalf of an organisation or in your own right.

Ms WHITE — I am Kylie White; I am from the Department of Sustainability and Environment, which is at 8 Nicholson Street, East Melbourne.

Mr MIEZIS — I am Lee Miezis, also from the Department of Sustainability and Environment, 8 Nicholson Street, East Melbourne.

The CHAIR — Thank you. I should tell you that any evidence you give today will at some stage become public evidence and available to the public. I now invite you to make an oral presentation.

Mr MIEZIS — Thank you, Chair and members. The Department of Sustainability and Environment, or DSE, has contributed to the Victorian Government's submission. As the Committee is aware, we are the third government department to make a presentation. Consequently our presentation builds on the submissions and presentations given to the Committee by the Department of Primary Industries and the Department of Planning and Community Development.

In inviting DSE to contribute to this inquiry the Committee sought information on two matters relevant to greenfields mineral exploration and project development. The first is access to Crown land, and the second is the Victorian Native Vegetation Framework. We will be presenting in two parts. I will summarise the administration of access to Crown land, and Kylie will summarise the administration of the Victorian Native Vegetation Framework. I will commence by providing an outline of what DSE does and then outline the overarching context in which access to Crown land is regulated and managed.

Before I do, I want to return to a couple of points of context described in the Victorian Government's submission and which were emphasised in the presentation made by the Department of Primary Industries. The first is that Victoria has the largest proportion of Australia's population, some 25 per cent, and yet covers only 3 per cent of Australia. The distribution of Crown land versus private land and the amount of remnant native vegetation are direct consequences of this statistic.

It has also influenced the way that Victoria regulates access to Crown land and project proposals that may affect native vegetation. Secondly, as was emphasised by the Department of Primary Industries, there is a long history of importance attached by the Victorian community to balancing competing land uses. DSE is responsible for implementing the Victorian Government's policies and legislative and regulatory obligations to sustainably manage forests, parks, other Crown land, water resources and catchments, bushfires, biodiversity and ecosystem conservation. DSE is, in particular, responsible for the conservation of Victoria's natural and cultural heritage on Crown land. This includes approximately 7.2 million hectares, or more than 35 per cent of the State, in parks and other conservation reserves and state forests.

In greenfields mineral exploration and project development DSE's responsibilities are part of a broader regulatory framework. This slide here —

The CHAIR — That would be the fine print, would it?

Mr MIEZIS — You have seen it before. This slide was first described to the Committee by the Department of Primary Industries. It shows the legislative and regulatory framework which applies to mineral exploration and project development in Victoria. As outlined in the Victorian Government's submission, the principal Act for regulating exploration and mining development is the Mineral Resources Sustainable Development Act, or the MRSD Act. From a whole-of-government perspective — and considering the exploration-to-project lifecycle — DSE's role is both simple and straightforward. As a regulator DSE responds to referrals made to it, and DSE, because of its technical expertise and legislative responsibilities, also responds to administrative requests for advice on land use, natural resources, flora and fauna and environmental issues. In some instances approval decisions may also be required by DSE or its portfolio agencies.

Focusing on the MRSD Act, the Department of Primary Industries is the lead agency. Its role therefore includes coordinating the input from other relevant agencies like DSE in assessing and issuing approvals. If access to Crown land is required, if native vegetation is a consideration or if any decision is required from the relevant Crown land minister, DSE will be involved. The Crown land minister is in most cases the Minister for Environment and Climate Change. Crown land is divided into three categories that accord with the management objectives or purposes. The community commonly knows and recognises these categories as, for example, national parks, conservation reserves, state forests, public parks and gardens, coastal reserves and alpine resorts. The distribution of these land categories across Victoria is shown on the next slide. I have provided this particular map as this is the way that Crown land is most commonly shown on road maps of Victoria, in *Melway*, for example.

This map provides the Committee with a view of Victoria's land tenure. About one-third of Victoria is in public ownership. This land encompasses almost all major landscape and ecological types in Victoria, from the desert dunes in the north-west to the alps in the east. Virtually all of Victoria's marine area is Crown land, including Port Phillip Bay and Westernport Bay, and all waters from the shoreline seawards out to 3 nautical miles. On this map the dark green represents parks and reserves, including national parks. Light green is state forest. The dark blue areas are marine parks and reserves. There are also small areas of grey, which are categorised as other public land. The majority of Victoria is, however, privately owned.

I will now outline the three categories of land which are relevant to mineral development. Under the MRSD Act the diversity of Crown land categories that I have just described are simplified into three categories relevant to mineral development. These categories are 'land not available', 'restricted Crown land' and 'unrestricted Crown land'. For simplicity, these categories of Crown land are illustrated on this map, which is also on the wall in large format. The first category is 'land not available'. This covers approximately 3.3 million hectares, which is approximately 14 per cent of Victoria.

Section 6 of the MRSD Act defines 'land not available', which is the most restrictive land use category. It provides that certain lands are not available for exploration and mining. These areas are shown in green on the map. This land is literally not available for mining or exploration. These lands include reference areas under the Reference Areas Act; national, state and wilderness parks under the National Parks Act, except in limited circumstances and subject to consent under section 40 of that Act; marine national parks and marine sanctuaries under the National Parks Act; and land where an ongoing protection declaration is in force under the Aboriginal Heritage Act.

Restricted Crown land is the second category of relevant land. This covers approximately 1.2 million hectares, which is approximately 5 per cent of Victoria. Schedule 3 of the MRSD Act defines 'restricted Crown land', which includes all of these areas listed and shown on the slides — again the font is quite small. Regional parks, coastal parks, marine parks, coastal reserves, alpine resorts and forest parks are some of the examples there. These areas are included in blue on the map. On restricted Crown land a licensee must not perform work under a mining licence or an exploration licence without the consent of the relevant Crown land minister. Consent may not be unreasonably withheld, and consents may be subject to conditions. The relevant Crown land minister must grant or refuse to grant consent within 28 days or a longer time determined by the Minister for Energy and Resources after the receipt of the application for consent. Failure or refusal to grant consent within the required time frame means the consent is deemed to have been given.

The CHAIR — That is work under a mining or exploration licence, so it is even for exploration?

Mr MIEZIS — That is correct, although in practice this is rarely exercised.

The CHAIR — Can you explain that?

Mr MIEZIS — Sorry, the deemed consent? Decisions are generally made within the required time frame.

The CHAIR — So if somebody wants to just go and explore, they need to come to DSE — do not waste your time on 14 per cent; is that right?

Mr MIEZIS — On the 'land not available', so unrestricted Crown land — —

The CHAIR — Let us just forget it — the extra 5 per cent must come to DSE, even just for exploration?

Mr MIEZIS — That is correct, for a referral authority.

The CHAIR — Is that necessary to do anything at all?

Mr MIEZIS — It is part of the approvals process for the issuing of the exploration licence. We are a referral authority and will consider that request and, if appropriate, place conditions upon that licence.

The CHAIR — Just to look?

Mr MIEZIS — Just to look.

Mr NOONAN — And that is subject to ministerial approval?

Mr MIEZIS — That is correct.

Mr FOLEY — I do not want to stop you midstream, but there are exceptions, are there not, such as the ironbark forests around Bendigo, where mineral exploration was allowed? Is that a state forest or a national park?

Mr MIEZIS — There is a bit of both around Bendigo. There are large areas of national park, and there are still some areas of state forest.

Mr FOLEY — I am pretty sure that there is exploration and indeed development of mineral resources within that as a variation to your 39 national parks. I think the argument was that it was a no-go zone, but indeed both exploration and development were allowed within the national park.

Mr MIEZIS — Section 40 of the National Parks Act provides for consent to be given on that land.

Mr FOLEY — I am just trying to get a feel — are there any other examples beyond that?

Mr MIEZIS — I will take that one on notice and come back to you on that, if required. The third category of Crown land is 'unrestricted Crown land'. This covers approximately 4 million hectares, which is approximately 17 per cent of Victoria. This category includes state forest and unreserved Crown land. These areas are shown as grey on the map. In considering an application for a mining permit over unrestricted Crown land the Minister for Energy and Resources must again consult with the relevant Crown land minister. The Crown land minister may, as in other cases, recommend that conditions be attached to any licence. In summary, the MRSD Act defines three categories of Crown land. For two of these categories where the Crown land is available, DSE is a referral authority. It provides advice on the works and conditions that may be relevant given the management objectives set for the land.

Now I will hand over to my colleague Ms Kylie White, the Executive Director of Biodiversity and Ecosystem Services, who will outline the approach to native vegetation management in Victoria.

The CHAIR — Just quickly on the last category, could you clarify again for me what is required from somebody wanting to explore there?

Mr MIEZIS — Again, the process is initially through the Minister for Energy and Resources.

The CHAIR — So the same process?

Mr MIEZIS — And the Minister for Environment and Climate Change or the relevant Crown land minister is consulted on conditions.

The CHAIR — How does that vary from category 2?

Mr MIEZIS — It is a similar process; it is just that the land is, I guess, less restrictive.

The CHAIR — So the considerations would be less restrictive?

Mr MIEZIS — That is correct. Relating back to the underlying purpose and objectives for that land, this is typically state forest or unreserved Crown land which is available for a broader range of uses, whereas, for

example, a forest park or something typically has a different underlying purpose, which may be more leaning towards conservation outcomes.

The CHAIR — And that purpose is in the Act, is it — the MRSD?

Mr MIEZIS — That is correct.

Ms WHITE — Moving on to native vegetation management in Victoria — I would also like to thank the Committee for this opportunity to participate in this department's presentation. I will address the administration of native vegetation management in the State of Victoria. As Lee's presentation outlined, all applications for exploration and mining activities are submitted by the proponent to DPI for a decision under the MRSD Act. The proponent is the applicant or the project sponsor. They prepare the application in accordance with the requirements of the Act and work with DPI to ensure compliance with the Act and other relevant regulatory requirements.

If the proposed project includes the removal of native vegetation, DSE will be consulted as the relevant referral authority. This referral applies to both public and private land. I would like to emphasise that while Lee's presentation focused on public land, in the case of native vegetation the relevant legislation and regulations apply to private as well as public land. DSE's referral advice will be based on *Victoria's Native Vegetation Management — a Framework for Action*. Before we look at how the framework operates in some detail, it is worth considering the context in which the framework for the management of Victoria's native vegetation was developed.

The CHAIR — Can I ask a quick question? Sorry to interrupt, but I have a tendency to do that. The numbers we talked about before were 14 per cent, 5 per cent, 17 per cent of the State.

Mr MIEZIS — That is correct.

The CHAIR — I think you said 35 per cent, so that is slightly over that.

Mr MIEZIS — Yes.

The CHAIR — How much of the State would have native vegetation?

Ms WHITE — In most cases what is on public land, not in all cases, but public land — —

The CHAIR — Let us say on private land.

Ms WHITE — On private land we estimate that 80 per cent has been cleared.

The CHAIR — So 20 per cent of land would have native vegetation that would require an application to DSE?

Ms WHITE — Yes, but that would also depend on what activity was being prescribed.

The CHAIR — So we are looking at exploring or mining, and there is native vegetation — —

Ms WHITE — And if there is defined native vegetation there, yes, it would come to DSE as the referral.

The CHAIR — When you say 20 per cent, is that 20 per cent of the private land?

Ms WHITE — I will give you the details as I have written them down so it will be clear. It is actually in relationship to this slide. Private land comprises about two-thirds of all the land in Victoria, and about 80 per cent of native vegetation has been cleared from private land.

The CHAIR — Okay. What I am trying to get at is: of that private land, is it simply that 20 per cent of that private land, of the two-thirds, would require an application to DSE?

Ms WHITE — Yes, and that would be determined at the time that the proponent provided the proposal.

The CHAIR — To whom?

Ms WHITE — To DPI. Yes, so it all comes via DPI.

Mr SHAW — Is that native vegetation either being replaced by non-native vegetation or construction or mining or farming have gone in there?

Ms WHITE — In most cases, yes, it represents the development of urban cities, regional towns and so on, and agriculture.

Mr SHAW — Which would be replacing plants anyway, I would imagine, because they would have their grass and they would have their trees?

Ms WHITE — In many cases where the agriculture has occurred they have removed what was the native vegetation and planted it with non-Australian grasses or cropping and things like that, and in amongst that, all the infrastructure that goes with towns and regional planning outside of Melbourne.

The CHAIR — What percentage of property would have to have native vegetation on it to require application to DSE?

Ms WHITE — We would assess every proposal individually, so it is a case-by-case proposal.

The CHAIR — So every proposal for exploration that goes to DPI comes to you guys for assessment?

Ms WHITE — Not necessarily, no, but each one is treated on a case-by-case basis, and I speak about generalities — —

The CHAIR — By whom, though?

Ms WHITE — If you would just let me finish: the proponent would provide all the information that would be requested by DPI, and part of that would be whether native vegetation is present on the site and how have they determined that native vegetation is either present or not present on the site. Then if there is a determination that there is native vegetation on the site, then it would come to us.

The CHAIR — Right. What would normally be required to determine whether or not there was vegetation on the site?

Ms WHITE — They would be able to provide some preliminary information from somebody who is versed in understanding what native vegetation is.

Mr SHAW — It is interesting. We went to a place in Victoria that was farmland. There was nothing there but grass, yet when they mined it they had to have native vegetation offsets somewhere else, when there was seen to be nothing there at all.

Ms WHITE — I am not familiar with the specific site, but if it had native grasslands, which are largely treeless, those native grasslands fit within the native vegetation of Victoria and the framework.

Mr NOONAN — I think the question goes to the value of native vegetation as opposed to any vegetation. I think, to go to Mr Shaw's underlying question, that is it, and to do that you probably have to go back to 2002 to understand the context of this policy work being implemented. But do you want to just refresh the Committee in relation to where I think Mr Shaw is going?

Ms WHITE — Let me think if I know where you are going, Mr Shaw, and please pull me up if I am not heading off in the right direction: the relevance to native vegetation relates to, if you like, the amount of clearing or the reduction in the native vegetation extent across Victoria. As I indicated about two-thirds of the State is privately owned, and 80 per cent of that area has already been cleared for a variety of other purposes: agriculture through to infrastructure and regional and urban development.

The Native Vegetation Framework is primarily concerned with native vegetation in a way of being able to retain native vegetation in the landscape in order for it to provide ecosystem services functions, so for flora and fauna, water quality reasons and to enable particular cases where remnant vegetation can be retained and the associated environmental values are also retained with that. So that is the purpose. Why the focus is on native

vegetation is that it provides that range of ecosystem services or the habitat for flora and fauna. In many cases 'non-native' does not provide the same service or the same habitats.

The CHAIR — I am not actually going at the value of native vegetation as opposed to non-native vegetation; what I am trying to work out is the reality of what applications would be impacted by the legislation and therefore would be referred to DSE. Correct me if I am wrong, but two-thirds is private land, and of that two-thirds you say that 80 per cent of the native vegetation has been cleared but that would not be clear cut; it would not be 20 per cent of the land that has native vegetation on it — —

Ms WHITE — No, you cannot just draw a line around that 20 per cent. It can often be patches right across the landscape.

The CHAIR — Yes, on all the property.

Ms WHITE — Or it can be quickly ascertained that there is no native vegetation on there by, if you like, the scope of what was the development beforehand. For example, if somewhere had been successively cropped so it had a range of agricultural or cereal crops, it would be unlikely to have native vegetation. If it was a grazing property where it had not had any improved pasture or had not had improvement works, it is very possible that it could have some native vegetation. So it varies.

The CHAIR — The reason I am exploring this a little more deeply is that some of the evidence, in fact the majority of the evidence that has been given to us, has indicated that one of the failings of our system, or the difficulties of our system, is the repetitive nature of applications and departments and people that need to be given information. What I am basically asking here is would it be fair to say that the greater percentage of applications would end up with DSE?

Ms WHITE — I would have to check those figures because, for example, we may not see a number of applications that get to the Department of Primary Industries — —

The CHAIR — Because they have been ruled out.

Ms WHITE — That is right; and then we do not get to see them. So I would have to get back to you about how many of those have got through the starting gate. I can provide that information post this meeting.

The CHAIR — That would be fine. Thank you.

Ms WHITE — As I was going to say, this map shows the distribution of the quality of native vegetation across Victoria. The dark green represents areas that are most intact, graduating through to white, which represents the least intact areas of native vegetation — so the most cleared. About half of Victoria's native vegetation has been cleared over the last 100 years, and most of this has been on private land. Private land comprises about two-thirds, as I mentioned, of all land in Victoria, and 80 per cent of that, approximately, has been cleared from that private land. Over the last two decades all Australian states and territories have established regulations to address the effects of land development activities on the integrity of native vegetation, and the Victorian framework has been in place since 2002.

Having provided some of the context, I would like to describe to you the operation and application of Victoria's Native Vegetation Framework. In the following slides, I will outline the goals of the framework and the three-step process which is used in its implementation. The goal of the framework is to reverse the long-term decline in the integrity of Victoria's native vegetation. The integrity is measured by its geographic extent and its quality. For clearing which occurs with a permit, the goal is no net loss — that is, an offset is required to mitigate the impact of the vegetation removal. Proponents wishing to clear native vegetation are required to mitigate the impacts of the approved clearing to achieve this. Where clearing is proposed, the framework provides a transparent mitigation hierarchy through the three-step approach of avoid, minimise and offset to ensure that there is no net loss.

Avoid, minimise and offset is the three-step process. The first element of the three-step process is to avoid. Here DSE works with DPI and through them with the proponent to plan and design projects to ensure that the disturbance to native vegetation can be avoided, if possible as a first priority. In circumstances where clearing is considered necessary, the Department of Primary Industries and DSE also work with the proponent to minimise

impacts by carefully planning design and considering how the works will be practically managed on the ground. The third step follows as a consequence of the second. When clearing of native vegetation is approved the losses are required to be offset. Offsets are achieved by compensating for the loss either *in situ* or at another site. The practice to date is that offsets have largely been provided on private land.

I have outlined the goal in the three-step process. I will now turn to the question of offsets. Where clearing of native vegetation is approved, a requirement of this approval is for the proponent to compensate for loss of native vegetation by offsetting. A native vegetation offset is works or other actions which are designed to compensate for the loss of native vegetation arising from its removal. Offsets can be achieved in several ways. These include action by the proponent or by the proponent funding action that is conducted by others on the proponent's behalf. Offsets may be on-site or they may be off site or they may be purchased from a third party. To deliver offsets, proponents may plant vegetation or improve the quality of existing vegetation on land that they own, or they can purchase land with the requisite native vegetation from a third party and establish arrangements for the ongoing management of that land. Offsets may in some cases be obtained from public land.

The majority of native vegetation offsets approved to date are created when a landowner commits to carrying out revegetation or other management actions over a 10-year management period and secures the offset in perpetuity through the use of agreements registered on title. In some instances proponents have generated native vegetation credits by donating land to the Crown, and that land is consequently managed by the Crown for conservation purposes. Offsets are in many cases required to meet the like-for-like rule. Like-for-like means that the vegetation type forming the offset must have the same features that it replaces. Where a direct replacement cannot be found DSE will, in the first instance, require the proponent to demonstrate that they have undertaken a reasonable search. If the proponent can demonstrate that a reasonable search has been carried out, an alternative offset management arrangement can be agreed to.

In summary, the Native Vegetation Framework provides a transparent methodology to ensure that there is no net loss of native vegetation. That is based on a three-step hierarchy of: avoidance, minimisation and offsetting. This methodology enables offset obligations, if they arise, to be determined in advance and factored into the cost of commercial decisions. In closing, just to reiterate, Lee and I have addressed the two key matters we have been asked to bring to this committee: Crown land management and native vegetation management. As Lee has indicated from a whole-of-government perspective and the perspective of the exploration-to-project life cycle, the DSE role is a relatively simple and straightforward one. As a regulator, DSE responds to referrals made to it. In addition, because of DSE's technical expertise and its legislative responsibilities it is required to respond to administrative requests for advice on land use, natural resources, and flora and fauna and environmental issues. In some instances approval decisions may also be required by DSE or its portfolio agencies. Thank you, Chair.

The CHAIR — Thank you. Kylie, I am wondering if you could clarify something for me — you may have already covered it and I was not quick enough to pick it up — the difference between the exploration licence and the mining licence?

Ms WHITE — In all cases it is looked at based on, if you like, a risk mitigation or risk management approach. With an exploration licence there may be no requirement to permanently remove native vegetation. It all depends on the exploration being proposed. At one level you can have no requirement, or there is no need to address the requirements of the Native Vegetation Framework; or, in other cases, depending on the type of exploration, there may be a requirement.

The CHAIR — So from the application for an exploration licence, from your knowledge, what are the steps that the applicant has to go through? There would be application to DPI?

Ms WHITE — That is right. All initial applications for an exploration licence go via DPI for them to determine whether exploration will go ahead. DPI refers it to DSE under the arrangements they have with DSE for us to be a referral agency. We would look at that and speak to DPI — and/or the proponent, if we thought that would be useful — to determine what the actions were and whether they would be, first of all, within native vegetation and, if it was native vegetation, whether there would be any impact. In many cases the impact would be minimal, and they would not be subject to having to go to the point of offsetting.

Mr FOLEY — Thank you very much. I appreciate that the context in which you have given your submission is the overarching context of the Victorian Government submission and to add value to both the DPI and the Department of Planning and Community Development submissions, with the focus on the two key items that you have addressed. I want to raise a couple of issues about those and then perhaps test a couple of other things. In regard to the original goals of the Native Vegetation Framework, the seeking to reverse the decline and the no-loss goals, now almost a decade later, how successful, as a general strategy policy outcome, has the framework been?

Ms WHITE — I think we can look at that in a couple of ways, and then I will come back to your question about the detail. One is around in working with proponents we have been able to work with them along the lines of what avoid, minimise and offset, that three-step process, means. In many cases, being able to work with the proponent and DPI in order to get the best possible outcome, we have been able to avoid vegetation wherever we can, minimise it or lead to offsetting cases, and we have been able to introduce that most effectively when it is right at the beginning of the planning process of any proposal rather than it coming towards the end, so to introduce it along with every other regulatory matter. I would have to get back to you to provide you with details as to hectares or anything like that, but in all cases where we have required an offset for a development activity an offset has been identified.

Mr FOLEY — Okay. This inquiry is focusing particularly on minerals development and greenfields sites, which gives a particular nuance to it, and I am guessing that most of the hot issues in relation to native vegetation are predominantly agriculture and farming related. Having said that, there has been consistent evidence provided to us critical of aspects of the Native Vegetation Framework. In regard to the dealings between DSE and the minerals exploration and development groups — let alone when it becomes an ongoing minerals development — is there any particular structure that DSE brings to that, or do you rely on the agents of DPI to engage with them? That is asked in the context of identifying a best-practice model nationally, if we have to from the terms of reference of this inquiry.

We are regularly pointed towards South Australia, which has a lead agency that goes a bit further than the Victorian lead agency model in how it deals with these issues. South Australia has a consistent officer see through the project from the initial application all the way to either exploration or development. It was put to us that this was not with a view to avoiding any particular aspect of regulation or requirements but to ensure that the proponent understood it, that the relevant agency understood the needs of the proponent and that some of the difficulties that have been provided to us as evidence are avoided. In DSE's dealings with minerals exploration applications, how is that managed? Do you have a view as to whether any of those criticisms that you may or may not be aware of, but we are certainly aware of, are valid and how they might be dealt with?

Ms WHITE — I will talk about the Native Vegetation Framework. From my understanding of it and my engagement with proponents and DPI, it always works best when a proposal is on the table and it looks like the proposal is going forward to the next step, because I think the DPI presentation outlined that there were many, many proposals, and it takes a long time to get one through the process. When they are at the drawing-board stage DPI will often enable us to speak to the proponent, so in the early stages, about where they would like to do a development, what they are looking for and what is their scale, and we can talk to them about the implications of the Native Vegetation Framework at that time. In many cases it is an exchange of information and views, and it can assist them with their proposal.

Most cases that we deal with are not greenfields, they are brownfields, so extensions or continuation of existing activities. Often the proponent has some familiarity with the regulatory requirements, including the Native Vegetation Framework, so it is generally about how that would apply in their particular situation. I think the conduit through DPI provides, if you like, the first point of contact. DPI then brings together all the parties that need to work with the proponent, and then we talk directly to the proponent about what are the requirements under the Native Vegetation Framework. In some cases at that initial stage you can say that there are no requirements, or you can start factoring in the requirements, and they can build that into their proposal right from the word 'go'. That seems to work along those lines fairly effectively. I am not familiar with and have not worked under the South Australian model, so I cannot comment on whether one would be better than the other.

Mr FOLEY — Then that is well before your memorandum of understanding about exploration work plans and a consultation agreement between the two departments kicks in. That kicks in once you have got a formal work plan proposal.

Ms WHITE — When we have a formal works plan, under the referral arrangements then you provide the advice back to DPI, but before that time the proponent is free to speak to the agencies around what are they thinking about doing, and then they can have those preliminary discussions and then the formal process around the work plan, and then that is provided to DSE. Lee, do you want to make a comment on public land?

Mr MIEZIS — Just building on that, we have a similar approach in terms of access to public land. We work through DPI but do have discussions directly with proponents, particularly when it comes to working through conditions that may apply to a consent. It is generally a conversation that we will have early on in the piece so they can understand our thinking. Most often those conditions are around balancing multiple uses of the piece of land, so while there may be exploration occurring in a piece of land, that public land is often used for other purposes, so it is about making sure that the land manager or the proponent is aware of what the land manager would require in those circumstances and equally that the land manager is advised early on about what the proponent is thinking so they can work to a reasonable, balanced outcome.

Mr NOONAN — My question is also about native vegetation. As I understand it, one of the consequences of the removal of native vegetation can be more severe flooding across the State, and therefore there can be more substantial cost to the State and not, obviously, to private property owners, so it is sometimes hard to quantify the benefits of putting these sorts of policies in place. One of the criticisms we are clearly hearing is the cost associated with making applications and the delays. Indeed there was a Victorian Competition and Efficiency Commission report back in 2009 which perhaps quantified the impact of this on the cost of doing business, I suppose, for the miners essentially. That was around \$41 million per year. My question is: since that 2009 report, have there been any significant changes made to try to diminish the costs associated with administering environmental regulation specifically in the areas that you have responsibility for and to reduce the delays in this area?

Ms WHITE — I think there has been some progress in that regard. I would say that that total cost relates to all development activities, and that would include other development activities such as major infrastructure and things like that as well and also development that would occur within local government areas. Where we have been able to focus our attention in a preliminary sense is to deal with the administrative matters that are considered to focus on areas of native vegetation or areas across the State which are low risk — that is, the types of vegetation there are considered in lower categories, or they are in smaller amounts. It is often to deal with local government's ability to, if you like, filter and deal with these large numbers of small, low-risk categories. We have been able to reduce the administrative and time line issues with those by dealing more effectively with local government and not having unnecessary referrals come to DSE. Local government can deal with many more of them in their entirety. That is where we have made the greatest steps most recently.

In regard to larger matters, such as mining proposals, by working with the proponent early on — and early on can sometimes be many years before they get to the stage of exploration or beyond exploration — we have attempted to be able to flag all the things that they need to consider up-front. If they do need to offset, for example, what is the extent and where are they likely to be able to obtain their offsets, we can assist them as best we can to be able to meet that so that we do not end up being a delay or an impediment to their proposals.

As I said, there can be many commercial reasons as to why projects either get delayed or stopped, other than the regulatory arrangements. Wherever possible we attempt to work with all the proponents to be able to make sure that they understand all their obligations and, where possible, assist them to minimise them or to point them in the direction to find those offsets, if they are required.

Mr NOONAN — So you believe you are as efficient as you can be. There are no greater efficiencies that can be put into the system as it stands at the moment?

Ms WHITE — I would not say that we cannot be any more efficient. We are always looking to get efficiencies into the system, whether it be about administrative processes or whether it be about being able to provide information online in ways that people can access it directly when they need to. I am not saying that we would preclude any of those efficiencies. Developing stronger working relationships with DPI under the MOU would not be out of the question either. It is about whether we can get continuous improvement and be able to best deal with every situation as it arises.

Mrs PEULICH — Just a quick clarification: you mentioned that two-thirds of the land is in private ownership and one-third in public ownership and that 20 per cent of the private land ownership had not been cleared of native vegetation. All up, we are talking about approximately 46 per cent to 47 per cent, both public and private, which has not been cleared of native vegetation. Is that about right?

Ms WHITE — I have not done the calculation.

Mrs PEULICH — It is getting close to half.

Ms WHITE — Yes, about that.

Mrs PEULICH — In relation to the assessment of the value of land, in terms of its use you have goals in terms of its use. We heard earlier from a witness from the extractive industries express some criticism that the value of land only refers to the environmental value but not some of the rich deposits and economic value that may be there. Does the Department have an integrated framework for the assessment of land value, taking into account its environmental, economic and social value? Does it have a methodology or a tool to take that approach so that it can better manage land use? If not, has it considered it? If not, are there other jurisdictions, either here in Australia or internationally, that do that in terms of managing our valuable asset of Crown land.

The CHAIR — Can I add one thing to that before the answer comes, because I think it will take care of two questions. For instance, there is a significant impact on the price of building homes by not being able to obtain resources locally.

Mrs PEULICH — For me it is conceptual. My question is a conceptual question — that is: the DSE appears to have a very good handle on assessing the environmental values that I think we all prize and treasure. We have seen that reflected in the maps. But it seems to me that there is a shortcoming insofar as there is not an integrated tool or methodology for assessing Crown land in particular, given that we are the managers of that land explicitly in terms of the environmental, economic and social value and the way that they may intersect.

Mr MIEZIS — It is probably fair to say that the underlying objective of Crown land management is triple bottom line. It considers environmental, social and economic value. That gets reflected in how land is zoned. That largely flows through to how you see land categorised as unavailable, restricted or unrestricted. It depends on what the underlying purpose and values are. Certainly one approach could be to just say that everything is restricted, but our ultimate policy objective does look at balance. We have areas that are unrestricted. Even where there are restrictions we look at the triple bottom line and how we can work through it with conditions to ensure that we are getting the best balanced outcome. That tends to be done on a case-by-case basis, looking at the peculiarities of what is being proposed, as opposed to having a rigid framework to step through.

Mrs PEULICH — Is there is a rigid framework, or is there an open, transparent, accountable framework that exists somewhere in the world that we can look to as an example?

Mr MIEZIS — I think Victoria actually has a quite good framework. If I look at specifically the management of state forests — I will use that as an example — we have what is known as the sustainability charter that applies to state forests, which has seven objectives which range from job creation and economic outcomes through to conservation of biodiversity. So we do have at a high level objectives that we do manage to the considered triple-bottom-line outcomes.

Mrs PEULICH — That information, however, is fragmented in the public domain.

Mr MIEZIS — It is, and I guess that is one of the areas that we are looking at. We do manage public land as a continuum, from land that is managed purely for conservation outcomes to land that is more able to be used for economic gain. That continuum and the framework that applies to that continuum is somewhere that we are continually looking at, how we improve and how we can get better communication out to the public on those issues.

Mrs PEULICH — No other jurisdiction? Victoria is the most advanced?

Mr MIEZIS — Look, I think that it is an issue that each state and each jurisdiction deals with, about ultimately balancing competing objectives in the management of public land.

Mrs PEULICH — Have you, then, answered the evidence that the Chair referred to about not compensating the value of deposits on Crown land? The evidence was given that for 10 years there had actually been no signposting or identification of land for resources, construction in particular.

The CHAIR — Not even considered.

Mrs PEULICH — How do we answer that? If you are taking into account the economic value, clearly that is not happening, because it has not happened for 10 years.

Mr MIEZIS — More broadly, I am talking economic value, so you look at specifics. Where issues are referred to us from a Crown land perspective it is looked at. Typically it is not about it can occur or it cannot occur, but it is how it occurs and under what conditions. But in terms of explicitly looking at issues such as if this does not occur or this occurs under these conditions, what will be the ultimate downstream impact on the cost of housing, there is no explicit decision making or framework that looks at that issue.

Mrs PEULICH — Also clearly the process or the methodology is that people come to you, and then you respond, rather than having a proactive, sort of forward looking approach to designated land uses.

The CHAIR — Knowing what is there.

Mr MIEZIS — I think that to a degree that proactive approach, looking at compatible uses with underlying management objectives for land, is done right from the start, in terms of — —

Mrs PEULICH — Through the zone.

Mr MIEZIS — Through zoning, through the creation of parks and through those associated processes.

Mrs PEULICH — But not the resources of the extractive industry that we obviously need in order to build homes and roads?

Mr MIEZIS — I guess it is one of the things that is considered, in terms of that whole process. So we know if land is created or turned into a national park then it has consequences, and that is part of the process and one of the considerations.

Mr SHAW — You were here before, when the CMPA were here?

Ms WHITE — Just at the tail end of their presentation.

Mr SHAW — Yes, and you would have heard them saying something about the native vegetation, I would imagine. They are not a big fan of that, obviously, the way it is being regulated, plus all the other things: the traffic impact statements, Aboriginal heritage, native vegetation investigations and environmental impact investigations. Miners and explorers have told us it seems like Victoria is closed for business because there is too much of this regulation that is happening.

That seems to be not quite what you are saying. You mentioned that you work quite well with the miners and you try to come to some sort of resolution. They are telling us that it is restrictive, it is costly and it is frustrating when they should be doing other stuff. And a lot of things that they are doing within these reports and investigations they would have done pretty much anyway and it would have been business as usual, and yet these areas of regulation are putting a roadblock in their way.

Ms WHITE — I was here for the tail end of their presentation. I am not sure of the specifics, but from my understanding there are a couple of things relating to the Native Vegetation Framework. In many cases many proponents actually do not come to DSE or DPI seeking advice about how to manage the Native Vegetation Framework requirements. They perceive them as being difficult, so they shy away. One of the things we would like to do is actually say, 'Come to us. We're happy to talk to you'. We would like to speak to their overarching peak groups to say, 'We have ways and means by which we can help you do this'. Often they are small companies — maybe family owned — and they do not know where to start, so one thing we can do is improve that accessibility and say, 'Come to us; We can help you'. We can then also factor in native vegetation as part of their overall due diligence that they would do as part of expanding or developing a new enterprise so that it is

not seen as an add-on but just part of their general, everyday business, so that it is not seen as an impediment but, rather, part of all the other things they must do for planning and other regulatory requirements.

The other part is that land in Victoria is costly because of the competitive land use that is here. It is a densely populated state, and land generally has a range of other uses, and the cost of purchasing land or being able to provide offsets fits in a commercial market environment. So if they are having to purchase vegetation offsets to offset their vegetation that they want to clear, that is the commercial market reality of how much it costs.

Mr SHAW — I don't know if I missed it in the last presentation, but they showed a picture of a mine and said, 'Well, we have to do native offset to an area that had trees for plantation anyway'. They were going to be cut down and woodchipped or used anyway, and they had to go and do a native vegetation — —

Ms WHITE — I am not familiar with the site, so if you would like some advice about that specific one, I can take it on notice and then give you back some advice about what we know from DSE's perspective and what was done. I am happy to do that.

The CHAIR — Kylie, just in closing, one objective of the Committee is to look at ways we can expand greenfields, with better use of our extractives in Victoria. One of the comparisons we have looked at is our very poor performance in that sector compared with the massively improved performance in South Australia. With that objective in mind, do you have any advice for the Committee on how we would be able to improve that process in Victoria to make it easier for people to come and do business here, because clearly at the moment the perception, whether it be right or wrong, is that it is difficult to do business here and people just are not coming?

Ms WHITE — I do not know whether I would have advice, but there is always a need to examine all the processes and procedures that we put in place in order to see whether they are appropriate, that they also do the job that they were set out to do and at the same time can be clearly understood. In the case of Victoria's Native Vegetation Framework, it is not dissimilar to other states which have done a similar thing. We have looked at the other states' frameworks to protect native vegetation to see whether we should look at changing our approach or whether we have not adopted best practice, and we will continue to do that to see whether there are some things that we can do to improve the understanding but also the accessibility of our component of the regulatory environment.

The CHAIR — Lee, do you have anything to add?

Mr MIEZIS — You identified the issue of perceptions. Certainly something that government departments can do is make information more freely available, and as Kylie said it is something we focus on a lot: making information available and making processes transparent so that they are easily understood by people.

Mrs PEULICH — Yes, it is the way of the future, isn't it?

Mr MIEZIS — And then we try to work out or weed out what is perception versus what is reality, because it is difficult to tell.

Mrs PEULICH — Also sourcing information and putting in all the fragments so that they can more easily manoeuvre it, because without that knowledge they are forced to rely on the use of very expensive consultants, which obviously adds substantial costs. So the greater transparency, accountability, availability of information, the more efficient the system can be.

The CHAIR — On behalf of the Committee thank you very much for being here. I truly value your time and the input that you have had. You will receive a transcript of today's proceedings in the next couple of weeks. Feel free to make what you think are any typographical adjustments to it but nothing to the substance of the proceedings.

Mr MIEZIS — Thank you, Chair, and members.

Witnesses withdrew.